

# GREENWorks

## Ideas for a Cleaner Environment

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### **Gimme a Break!**

#### **Act Fast and You Can Get a Tax Break Just For Cutting Energy Costs!**

Want to cut your taxes, save money *and* help the environment? By making an energy-saving improvement to your home, the IRS may allow you to take a tax credit for it. But you have to act fast—some of those credits are expiring in just a few weeks on December 31.

Homeowners can get a tax credit for installing certain wood or pellet stoves; energy-efficient furnaces, water heaters and air-conditioning systems; insulated roofs, windows and doors; and wall and ceiling insulation. The tax credit covers 30 percent of the purchase costs, up to \$1,500. Installation costs for heating and air-conditioning systems, water heaters and biomass stoves are also covered. However, installation costs for new windows, doors, roofs and insulation are not included in the tax credit.

With the deadline quickly approaching for making these tax credit-qualifying improvements, some may wonder if it's all worth the effort. The answer is, YES! The project with the greatest "bang for the buck" is upgrading your heating and cooling systems, which can be as much as 50 percent of the average home's energy bill. Not only will you qualify for a larger tax credit, you will have a new, efficient and less costly heating system as we head into winter. If your furnace or boiler is more than 10 years old, this may be the ideal time to replace it.

Energy efficient improvements do not have to be costly to be eligible. Adding insulation just to the area where your family spends most of its waking hours, for instance, is a relatively low cost way to improve your home, save on heating, and make your family much more comfortable. Also, insulation is often a do-it-yourself project, so you save on labor costs.

Energy efficient appliances do not qualify for tax credits, but appliances carrying the Energy Star seal will help reduce your energy bill. Check the Energy Star website at [www.energystar.gov](http://www.energystar.gov) for a list of appliances carrying the Energy Star label. Also, many states and local utilities are offering direct rebates—no need to wait for tax returns—on some appliances. Check [www.energysavers.gov](http://www.energysavers.gov) or [www.nhsaves.com](http://www.nhsaves.com) to see details of programs in New Hampshire.

A few other details to keep in mind: All improvements must be in place and equipment in service by December 31 to qualify for the tax credits. Be sure to keep your receipts and the manufacturer's certificate that states the equipment or service is eligible under the program. If not available with the product, the certificates can also be found on the websites of the manufacturers.

Lastly, there are several valuable resources on the Web and in your area. In addition to listing efficient appliances, the Energy Star website gives guidelines on what qualifies for the tax credit at [www.energystar.gov/taxcredits](http://www.energystar.gov/taxcredits). For a list of state and local energy efficiency assistance

available, see the Database for State Incentives for Renewables and Efficiency, a project funded by the US Department of Energy, at [www.dsireusa.org](http://www.dsireusa.org) . Check out the free “Button Up, New Hampshire” workshops being held this winter around the state on the basics of home energy budgets and the value of home weatherization; see <http://myenergyplan.net/buttonUp.jsp> for details.

So act now before the clock runs out on the energy efficiency tax credit ends on December 31.